1/13/87 A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 64 - No. 12 DECEMBER 1986

PAPER AND PAPERBOARD PRODUCTION IN 1986: BREAKING ALL RECORDS

Production of paper and paperboard continued along the record-high trend it has followed throughout 1986. Preliminary data show the November trend level (the average of the October and November seasonally adjusted values) at 71,700,000 tons per year, pointing to a 1986 total of 70,600,000 tons! This new high is 5.3% ahead of the 1985 total and 3.1% above the previous high established in 1984.

The current trend reflects strength in both paper and paperboard production. The 1986 paper total is moving to 35,400,000 tons, 4.0% ahead of its 1985 total and 3.1% above its 1984 high. Paperboard production is estimated at 35,100,000 tons, 6.3% ahead of 1985 and 3.1% over its 1984 high.

Production of the various grades of paper and paperboard continued the trends established earlier this year. The eleven-month 1986 totals show shipments of uncoated free sheet papers 8.4% over their year-earlier level and shipments of bleached bristols up 8.6%. The strength in uncoated free sheet paper shipments stems from continued growth in use of these papers for office copy papers and commercial printing, together with a particularly large increase in shipments to book publishers. The increase in bleached bristols reflects gains in all types, with file folder stock and coated bristols showing the largest gains.

Newsprint and tissue papers gained about 3% over year-earlier production totals, but the packaging and industrial converting grades continued to fall below their 1985 levels, in line with the persistent pressures from alternate packaging materials.

Continued on Page 2

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Continued from Page 1

The paperboard grades also moved along their established trends, with the total showing a 7% gain over year-ago levels in the eleven-month 1986 period. Unbleached kraft linerboard gained 7%, sparked by a 13% increase in production for export and a 6.9% increase in production of total containerboard for domestic use. Solid bleached paperboard production increased 8.4% as production for export rose 10.3% -- to 512,000 tons per year -- while cup stock showed a 9.1% gain and plate, dish and tray stock rose 8.3%. The gains in production of the other paperboard grades held closer to that of total paperboard.

ECONOMIC TRENDS

These relatively large increases in paper and paperboard production also reflected the effects of other favorable factors. One of these is the changes in inventories at mills and converting plants. Starting in 1984, the strong demand trend led producers and consumers to increase their inventories to levels that became burdensome and had to be reduced in the sluggish demand climate of 1985. Inventories of containerboard at paperboard mills and boxplants rose by 445,000 tons during 1984, were reduced by 333,000 tons during 1985 and another 451,000 tons in the first eleven months of 1986, bringing the Dec. 1, 1986 inventory total down to about 5 weeks of supply. These inventory changes had a direct effect on the production totals, raising them in 1984 and reducing them in 1985 and 1986, distorting somewhat the use of production as a measure of demand. The relatively low level of current inventories is one indicator of strength in the future production of these grades.

Data on mill inventories of printing and writing papers showed a somewhat different pattern: inventories increased by roughly 180,000 tons in 1984, and rose another 114,000 tons in 1985 as shipments of printing and writing papers held steady. In the first ten months of 1986 these inventories declined by about 60,000 tons. The available data on inventories of paper at printers also indicate a strong increase in 1984, followed by a small decline in 1985 and a small increase during 1986. Here, too, the relatively low level of current inventories points to a strong production trend.

The growth in total economic activity during the past three years was accompanied by similar growth in paper and paperboard consumption. The real gross national product, for example, rose by 6.4% in 1984; 2.7% in 1985 and 2.7% in the first three quarters of 1986. Similar data on paper and paperboard new supply (production plus imports less exports) show a. 8.3% gain

Continued on Page 10

PAPER AND PAPERBOARD STATISTICS

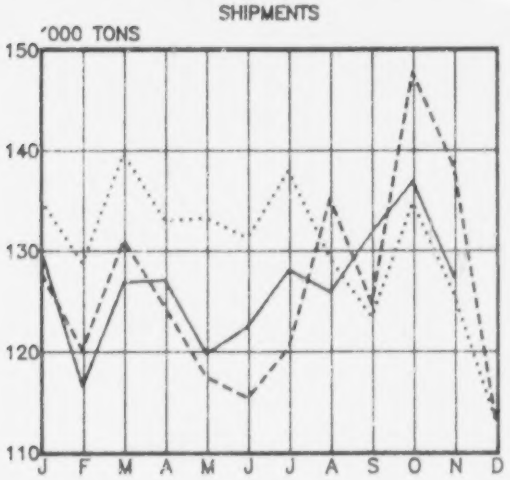
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands - 2 Short Tons)

	YEAR 1984	YEAR 1985	AUG 1986	SEPT 1986	OCT 1986	NOV 1986	Annual Rate Y-T-D 1986	% Change From same Period Last Year
PAPER								
Newsprint - Production	5539	5428	486	462	464	473	5628	3.4
- Shipments	5584	5417	472	455	481	470	5561	2.8
Printing & Writing sum	18433	18471	1684	1671	1758	1688	18730	0.5
Groundwood Paper - Shipments	1565	1516	126	132	137	127	1520	-0.7
- New Orders	1575	1477	138	122	130	126	1549	3.4
-Unfilled Orders	140	106	149	141	132	129	129	19.7
Coated Papers - Shipments	6249	5875	556	555	569	548	6254	5.7
- New Orders	6281	5642	562	549	555	520	6297	10.8
- Unfilled Orders	575	393	467	478	458	434	434	9.9
Unctd Free Sheet - Shipments	9207	9750	884	872	934	902	10503	6.4
- New Orders	8939	9704	922	841	918	903	10617	8.8
- Unfilled Orders	430	509	611	574	557	580	580	10.8
Thin Papers - Shipments	303	262	19	21	19	16	242	-7.9
Cotton Fiber Paper - Shipments	147	144	12	12	13	13	151	4.8
Bleached Bristols - Production	961	924	87	80	86	83	1001	8.9
Tissue Paper - Production	4921	4941	430	415	454	420	5034	3.0
Total Packaging & Other Paper	5555	5202	429	425	435	417	5141	-1.8
Unbl. Kraft Paper - Shipments	3666	3403	277	274	272	263	3344	-2.4
Other Paper - Production	1889	1799	152	151	164	154	1797	-0.8
TOTAL PAPER-Production-Unadj.	34447	34042	3029	2973	3116	2998	35592	4.2
-Production-S.A.			3000	2983	2987	3050	35501	4.4
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	26403	25404	2397	2229	2338	2260	27301	1.0
Total Unbl. Kraft Paperboard	17185	16368	1575	1438	1511	1457	17633	7.2
Unbl. Kraft Linerboard (1)	16037	15183	1455	1329	1394	1381	16317	7.0
Production for Export	2086	1830	206	161	153	180	2067	12.7
Other Unbl. Kraft Paperboard	1149	1184	120	109	117	76	1316	9.8
Semichemical Paperboard	5169	5088	481	450	458	454	5383	5.4
Production for Export	149	189	26	22	17	27	211	13.0
Solid Bleached Paperboard	4048	3948	342	341	368	348	4284	8.4
Production for Export	478	466	42	40	44	43	512	10.3
Recycled Paperboard	7637	7630	687	669	719	688	8200	7.0
Production for Export	17	26	1	2	3	2	25	-4.4
TOTAL PAPERBOARD-Prod. Unadj.	34039	33034	3085	2898	3057	2948	35500	7.0
- Containerboard Prod.(Dom. Use)	20993	20042	1888	1765	1862	1813	21513	6.9
- Boxboard Prod.(Dom. Use) (2)	5783	5673	483	482	518	478	5953	4.5
- All Other P'bd Prod.(D.U.) (2)	4531	4808	439	426	461	405	5219	7.3
- Total Paperbd Prod. for Export	2731	2511	275	225	217	252	2815	12.2
TOTAL PAPERBOARD PROD.- S.A.			2987	2904	2957	2975	35173	7.0
TOTAL PAPER AND PAPERBOARD								
Production - actual	68487	67076	6114	5872	6173	5946	71092	5.6
Production - S.A.			5987	5887	5944	6025	70674	5.7

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd.

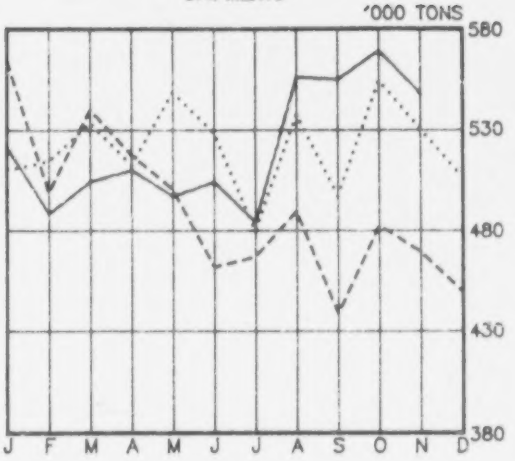
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



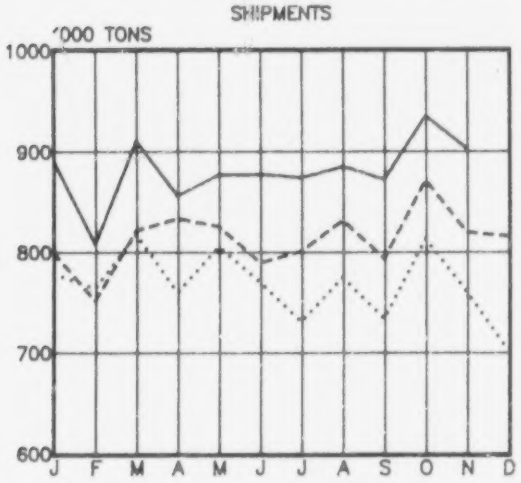
COATED PAPER

SHIPMENTS



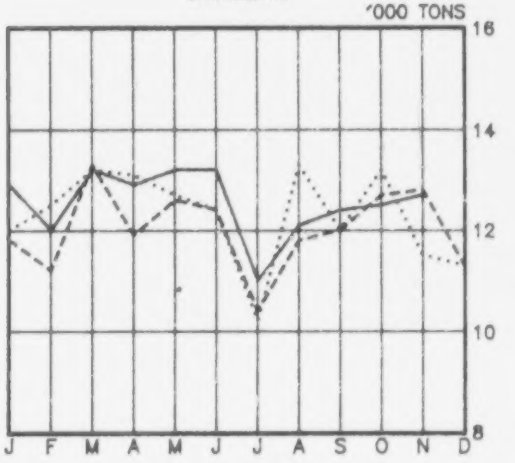
UNCOATED FREE SHEET PAPERS

SHIPMENTS



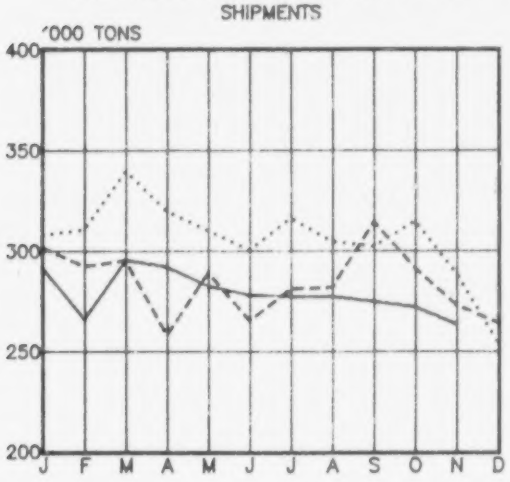
COTTON FIBER PAPER

SHIPMENTS



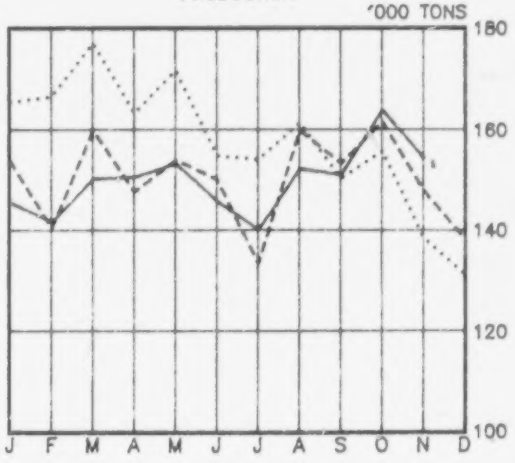
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1984 ..... 1985 ----- 1986 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1984	YEAR 1985	JULY 1986	AUGUST 1986	SEPTEMBER 1986	OCTOBER 1986	Annual Rate Y-T-D 1986	% Change from same Period Last Year
					R	P		
TOTAL WOOD PULP								
Total Wood Pulp - Production	55470	54029	4742	4903	4671	4881	57255	5.7
- Imports	4490	4466	401	422	379	372	4583	2.5
- Exports	3594	3791	299	418	457	344	4484	18.2
- New Supply	56367	54704	4843	4907	4592	4908	57353	4.8
Dissolving Pulp - Production	1206	1174	103	113	104	98	1249	6.4
- Imports	161	175	20	28	24	23	264	47.9
- Exports	595	631	46	63	83	61	710	10.7
- New Supply	772	718	77	78	45	60	801	11.6
Paper Grades - Production	44690	43577	3797	3961	3772	3951	46323	6.1
Chemical Pulp - Imports	4023	4104	369	378	343	342	4207	2.7
- Exports	2945	3131	251	353	370	279	3716	20.1
- New Supply	45767	44550	3914	3986	3745	[illegible]	41999	-5.9
Groundwood and - Production	5506	5251	474	469	457	482	5542	4.4
Thermo-Mech. - Imports	306	187	12	15	12	[illegible]	119	-41.8
- Exports	54	29	2	2	4	5	59	125.5
- New Supply	5758	5409	484	483	464	485	5598	[illegible]
Semi-Chemical - Production	4069	4027	368	359	338	350	4,40	2.3
- Imports								
- Exports								
- New Supply	4069	4027	368	359	338	350	4,40	2.3
MARKET WOOD PULP								
Total Market - Production	6898	6800	638	675	627	593	7478	10.1
Wood Pulp - Imports	2968	2791	242	297	270	261	3108	10.3
- Exports	3511	3784	313	406	404	328	4435	18.3
- New Supply	6355	5807	567	566	492	526	6152	4.9
Dissolving Pulp - Production	1205	1171	102	113	104	98	1242	6.4
- Imports	204	174	12	25	21	16	217	21.4
- Exports	690	666	52	57	69	52	702	6.8
- New Supply	718	679	63	81	56	62	757	4..
Paper Grades - Production	5680	5605	535	562	522	494	6225	11.3
Chemical Pulp - Imports	2664	2531	224	257	241	241	2799	9.4
- Exports	2821	3117	262	349	335	276	3733	20.8
- New Supply	5523	5019	497	470	428	459	5291	4.3
Groundwood Pulp - Production	14	24	0	0	0	0	10	-47.5
and All Other - Imports	100	86	6	16	7	4	92	12.6
- Exports	1	1	0	0	0	0	0	0.0
- New Supply	114	109	7	16	9	5	103	2.0

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

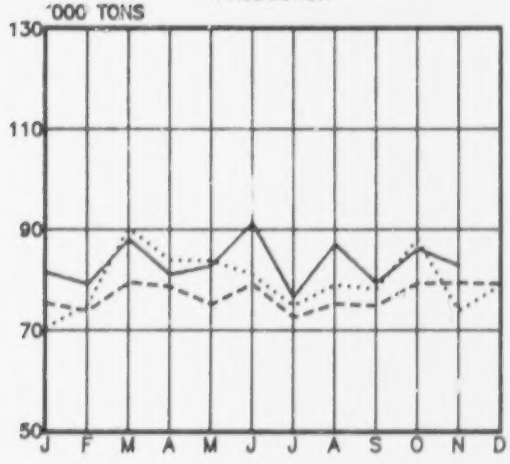
FIBROUS RAW MATERIALS
(Thousands of tons)

					R	P		
CONSUMPTION AT PAPER & PAPERBOARD MILLS								
Total	70488	68584	5937	6119	5941	6207	72377	5.2
Total Wood Pulp	54562	53297	4617	4729	4561	4788	55767	4.3
Waste Paper	15926	15290	1320	1390	1380	1419	16610	8.4
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	164	176	195	186	176	176	0.5
Producers' Market Inventories	585	486	353	352	303	292	292	-42.4
Consumers' Purchased Inventories	545	492	579	542	558	527	527	10.1
Waste Paper at Paper & Bd. Mills	1053	967	884	851	877	948	948	-4.9
Days of Supply at Pulp Mills of								
Chemical Paper Grade Mkt Pulp	42	30	20	21	17	16	16	-50.0

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

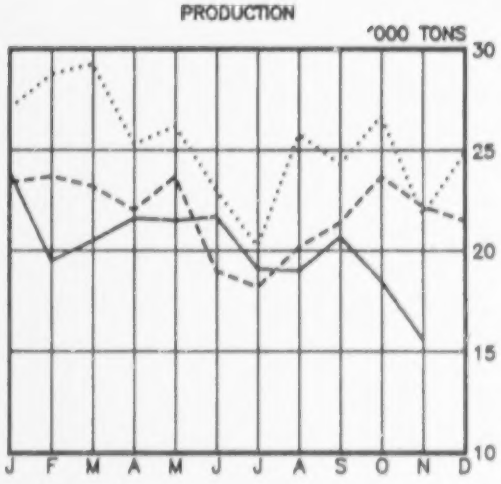
BLEACHED BRISTOLS

PRODUCTION



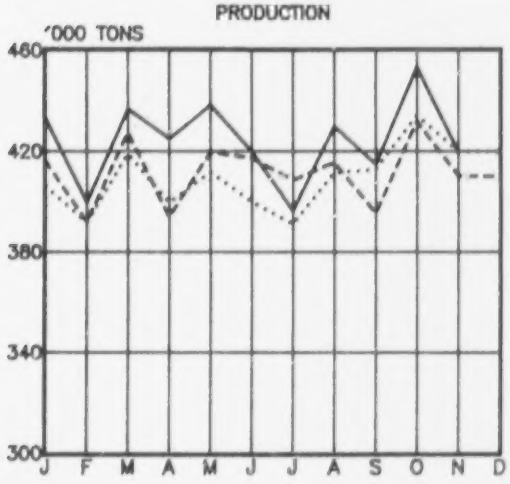
THIN PAPER

PRODUCTION



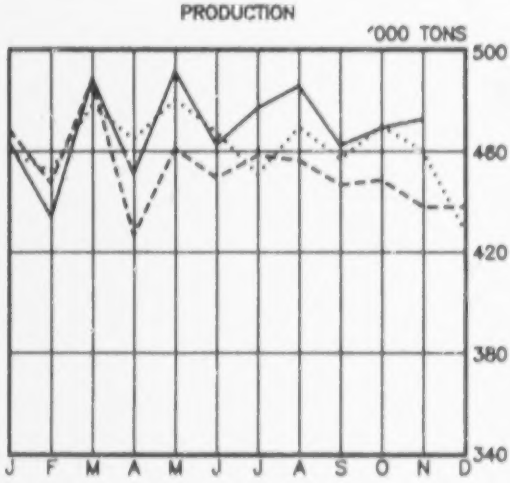
TISSUE PAPER

PRODUCTION



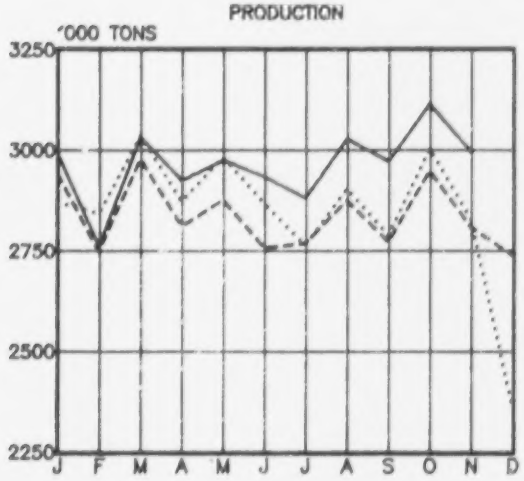
NEWSPRINT

PRODUCTION



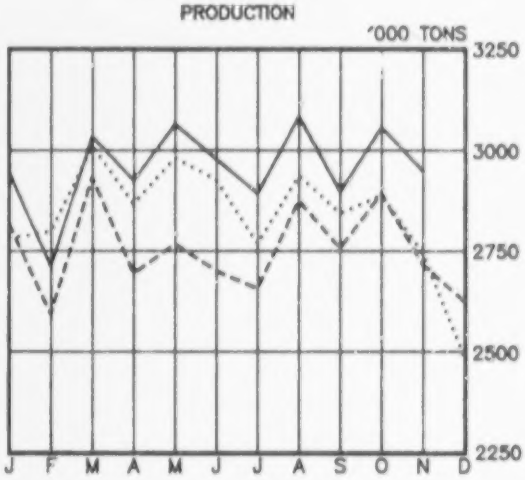
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1984 ····· 1985 - - - - - 1986 ——

F I B R O U S R A W M A T E R I A L S
(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1984	YEAR 1985	JULY 1986	AUGUST 1986	SEPTEMBER 1986	OCTOBER 1986	Annual Rate Y-T-D 1986	% Change from same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	88876	85499	7770	7465	7493	8247	81296	6.1
	- Total Consumpt	87646	85744	7812	7582	7362	7779	81150	5.9
	- Residues *	32072	30464	2576	2710	2642	3068	33258	8.0
	- Inventories	5574	5046	4836	4835	4970	5501	5501	3.6
So. Atlantic	- Total Receipts	27654	27589	1480	2289	2436	2594	29578	7.4
	- Total Consumpt	27344	27815	2531	2345	2372	2465	29363	5.9
	- Residues *	8198	7970	682	788	755	889	9384	19.0
	- Inventories	1444	1117	1062	1016	1037	1187	1187	3.0
Northeast	- Total Receipts	7665	7430	598	586	589	688	7259	-2.3
	- Total Consumpt	7474	7394	582	561	533	637	7250	-2.4
	- Residues *	1501	1539	98	124	118	136	1441	-6.7
	- Inventories	590	544	351	368	414	447	447	-13.5
South Central	- Total Receipts	30693	29786	2745	2729	2694	2795	31840	6.2
	- Total Consumpt	30502	29914	2746	2737	2612	2810	31826	9.5
	- Residues *	9059	9207	809	828	834	882	9804	5.3
	- Inventories	1304	1198	992	1038	1107	1288	1288	8.0
North Central	- Total Receipts	6872	6430	578	561	522	631	6553	0.1
	- Total Consumpt	6563	6296	561	578	557	549	6714	6.2
	- Residues *	1472	1290	76	85	88	97	1056	-21.4
	- Inventories	906	884	789	808	818	868	868	-11.3
West	- Total Receipts	15992	14264	1369	1300	1252	1549	16067	10.2
	- Total Consumpt	15763	14325	1392	1361	1288	1518	15996	10.8
	- Residues *	11642	10458	911	885	847	1064	11573	8.1
	- Inventories	1330	1303	1642	1605	1597	1711	1711	10.3

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 9 01-Jan-80

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR 1985 Tons	YEAR 1985 $000's	SEPTEMBER 1986 Tons	SEPTEMBER 1986 $000's	OCTOBER 1986 Tons	OCTOBER 1986 $000's	Annual Rate Y-T-D 1986	% Change from same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	21604	2462	27175	1748	6630	363	68755	177.3
Pulpwood chips	786486	21955	9751	237	32498	797	694763	-48.7
Wood Pulp, Total	4020736	1385871	317232	116439	337116	130041	3954568	-1.8
Waste Fibrous Materials, Total	144564	26371	11093	1703	11435	1430	160650	6.0
Paper, Board & Products, Total	9734523	4306694	800133	356190	837301	383122	9964632	2.2
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	9640776	4164985	789385	338059	826723	365458	9843944	1.2
Paper, Paperboard & Products	9380235	4215314	778499	349861	815598	376777	9709214	3.6
Paper & Paperboard, Only	9286488	4073606	767751	331730	805020	359113	9588526	3.3
Paper, Total	9132128	4030872	747781	325943	785941	353312	9363886	2.5
Newsprint	8117986	3496944	655497	277248	685942	297715	8303676	2.0
Printing, Writing & Rel. Pap.	841500	435561	70122	37861	80184	45787	834179	1.6
Pack. & Ind. Conv. Paper	124100	64640	17561	7511	16292	7187	180822	48.4
Special Industrial Paper	3463	5393	445	758	384	629	4514	33.3
Tissue Paper	45081	28334	4155	2565	3139	1993	40675	-13.4
Paperboard, Total	154360	42734	19971	5787	19079	5802	224640	48.5
Convtd Paper&Paperbd Products	93747	141708	10748	18131	10578	17664	120689	34.7
Wet Machine Board	2184	1481	159	101	181	119	2255	0.5
Construction Paper & Board	352104	89898	21475	6228	21522	6225	253163	-32.9

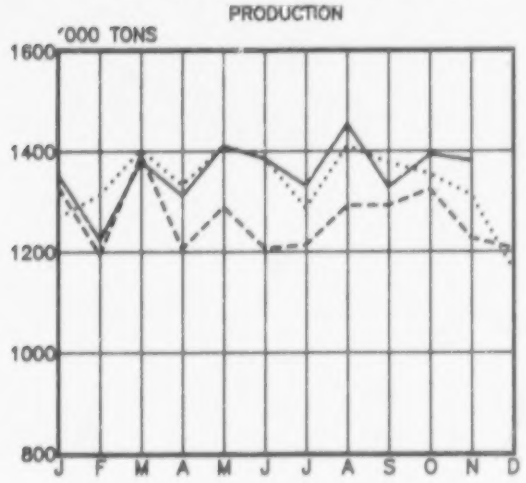
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	49611	2925	1294	60	1387	79	33978	-30.9
Pulpwood chips	82626	4780	44028	1791	93426	3172	425481	25.7
Wood Pulp, Total	203934	79541	23122	6423	24037	9818	265705	31.2
Cotton Pulp & Other Pulp	15083	6252	3440	1170	4088	1024	32134	158.3
Waste Paper	209087	23249	25375	2500	20741	2300	217895	-1.0
Paper, Board & Products, Total	736140	485290	61739	40052	70113	44291	869440	17.1
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	579768	333614	47470	26478	55494	29709	714836	23.2
Paper, Paperboard & Products	710785	471835	59529	38952	65939	42445	839464	16.9
Paper & Paperboard, Only	554413	322162	45261	25377	51320	27862	684860	23.3
Paper, Total	271754	223971	18105	15796	23179	17520	279536	-0.7
Newsprint	3757	3276	461	439	1409	444	5422	52.0
Printing, Writing & Rel. Pap.	133800	118625	7842	6865	10357	8446	120040	-13.0
Pack. & Ind. Conv. Paper	41327	23536	1650	1173	4537	1418	26124	-40.9
Special Industrial Paper	90071	74893	7904	6965	8423	6832	124654	34.7
Tissue Paper	2799	3641	247	354	454	380	3296	5.1
Paperboard, Total	282658	98191	27156	9581	28142	10342	405324	47.9
Convtd Paper&Paperbd Products	156372	151676	14268	13574	14619	14582	154604	-4.8
Wet Machine Board	5786	4243	391	322	1023	584	10563	86.8
Construction Paper & Board	19570	7209	1819	779	3151	1263	19393	2.2

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 01-Jan-80

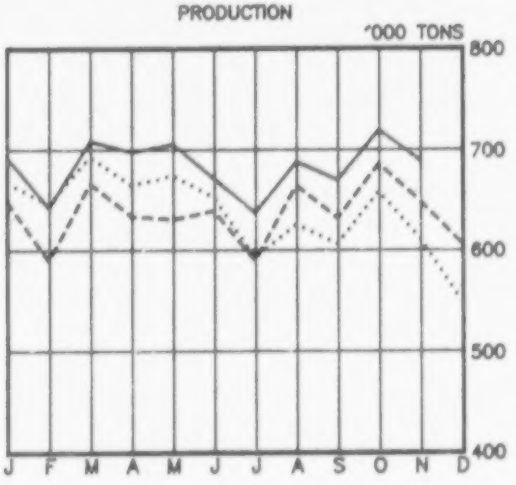
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



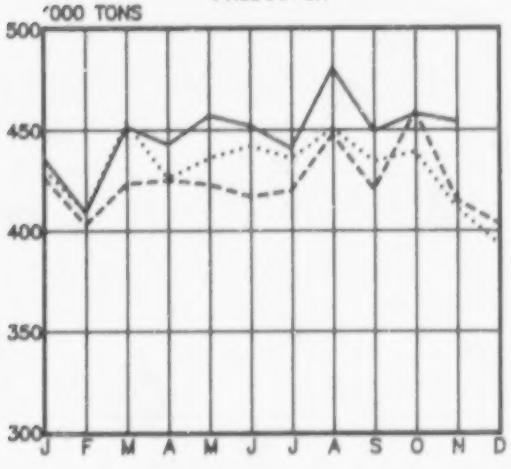
RECYCLED PAPERBOARD

PRODUCTION



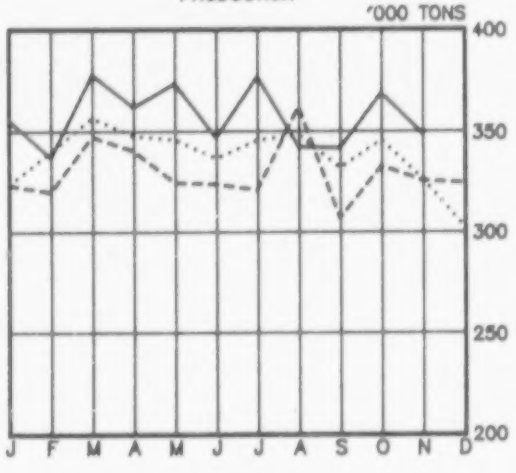
SEMICHEMICAL PAPERBOARD

PRODUCTION



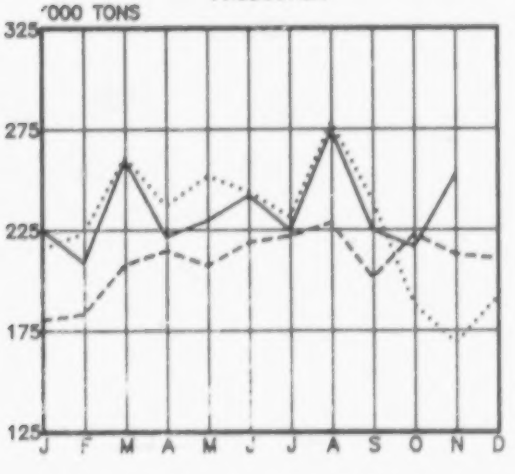
SOLID BLEACHED PAPERBOARD

PRODUCTION



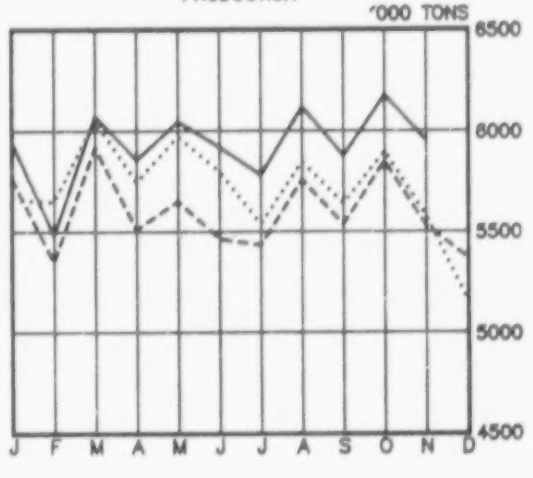
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1984 ····· 1985 - - - - -1986 ———

I M P O R T S

	YEAR 1985 Tons	YEAR 1985 $000	1986 SEPTEMBER Tons	1986 SEPTEMBER $000	1986 OCTOBER Tons	1986 OCTOBER $000	(1) Annual Rate YTD 1986 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	31755	2606	27175	1748	6630	363	76075	89.6
Pulpwood Chips	784382	22006	3803	252	32573	812	606574	-14.5
Total All Imports	16156209	7255817	1352860	617122	1412473	666703	16696658	2.7
Wood Pulp Total	4465746	1520907	378681	138681	371514	144100	4583138	2.5
Waste Paper	87413	10160	8181	1044	9557	931	98323	12.5
Other Fibrous Materials	81430	26949	4616	1518	3340	1273	100952	26.3
Paper Board & Products Total	11521619	5697802	961382	475878	1028012	520399	11940638	2.6
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	1123804	5074482	914231	410881	998010	457460	11513677	4.7
Paper Ppbd & Prds ex Chat&MMB	11105154	5586077	931301	466067	998674	521263	11559625	3.9
Paper & Paperboard Only	10821629	4962757	884150	401069	969072	448124	11173884	2.7
Paper Total	10637428	4906882	858787	393518	942664	437895	10903964	1.8
Newsprint	8496568	3638716	668448	282877	725686	313373	8643340	1.3
Printing & Writing	1912867	1116225	162129	94032	191940	111112	1958792	0.4
Uncoated Groundwood	1027211	530619	81772	41530	108653	57690	1148822	-5.0
Coated Print.& Impreg. Pap.	496072	363855	42846	30191	38530	26508	470918	-6.7
Uncoated Free Sheet	364848	198432	34245	19773	39970	23141	440209	14.9
Uncoated Book	200927	106586	17328	9835	18490	10804	214957	9.0
Writing and Similar Paper	163921	91846	16918	9938	21480	12337	225652	33.2
Thin (except Cigarette)	23712	22276	3210	2488	4709	3632	46139	95.3
Bristols	1024	1043	55	44	83	85	705	-32.9
Total Pkg & Other Paper	172003	116390	22038	12535	19725	11716	236723	14.7
Unbleached Kraft Paper	63604	23976	12134	4591	10410	3898	112478	80.6
Other Pkg. & Indust. Paper	108398	92414	9904	7944	9315	8020	124245	16.4
Tissue	55991	35551	6112	4075	5313	3692	65110	15.8
Paperboard, Total	184201	55875	25363	7551	25408	8229	269700	9.7
Test or Containerboard	50975	16848	6864	2219	7234	2474	77002	53.6
Semi-Chemical Corrugating	65203	13706	8305	1840	7278	1637	85854	9.4
Other Paperboard	68023	25321	10194	3492	10897	4119	96845	30.4
Convtd Papers&Paperbd Products	283525	623320	47151	64997	30002	63139	382960	18.4
Paper Products, Total	258934	572316	44781	60087	27805	58869	354646	41.1
Paperboard Products, Total	24592	51004	2370	4910	2197	4270	28314	15.7
Wet machine Board	3270	2585	224	171	211	151	3216	-3.0
Construction Paper & Board	413196	109140	29858	3641	24728	9935	342767	-22.1
Notes								
Other: No Weight Avail. ($000)		228219		19231		18470	210189	-4.7
Total Imports Incl. Other($000)		7484036		636353		685173	7784911	3.4

E X P O R T S

Pulpwood, Roundwood (cords)	51765	3037	1294	60	1387	72	31573	-46.1
Pulpwood Chips	2116137	168814	210608	12831	237060	15046	2277728	11.8
Total All Exports	11261281	4042068	1171937	432466	1046911	390430	12438873	16.4
Wood Pulp,Total	3791102	1352708	457020	176181	344447	135409	4484356	17.2
Cotton Pulp and Other Pulp	107224	71802	10695	5014	13703	5215	161046	52.4
Waste and Old Paper	3285926	349258	306871	35752	313213	38233	3730427	13.4
Paper, Board & Products,Total	4077029	2268300	397351	215519	374648	211578	4766044	16.9
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	3586119	1588157	350796	158656	328454	151204	4252446	13.4
Paper, Ppbd & Prod ex Chat&MMB	4008221	2228594	390383	214464	366196	207166	4674562	16.2
Paper & Paperboard, Only	3517311	1548451	343828	154601	321003	146792	4159514	17.9
Paper, Total	779000	594338	60086	43962	70068	53836	860076	8.2
Newsprint	314385	131379	26376	14972	30609	13476	361710	14.7
Printing & Writing	202826	201845	13094	13513	14843	15302	189407	-5.8
Uncoated Groundwood	36779	31727	2019	1380	2590	1743	40748	10.1
Clay Coated Paper	82461	85710	5300	4176	6447	4636	78059	-0.8
Uncoated Free Sheet	64573	77929	3737	5455	4080	6204	49461	-25.6
Other Printing & Writing	19013	26479	2039	2502	1726	2519	20889	4.9
Total Pkg. & Other Paper	243671	242909	19238	19542	22786	21103	290349	15.7
Unbleached Kraft	67695	29931	5988	2440	7083	2859	81383	13.9
Other Pkg. & Indust. Paper	175976	212978	13250	17102	15703	18247	208966	16.6
Tissue	18118	18205	1378	1935	1831	1954	16612	-12.5
Paperboard, Total	2738310	954113	283742	104639	250935	92956	3299438	20.5
Solid Wood Pulp	2492746	872281	264048	97314	225419	84079	2963690	18.1
Total Linerboard	1807151	480909	195623	61071	161700	50127	2165706	19.1
Bleached Kraft Linerboard	130359	45687	5687	3208	9902	4728	141628	20.9
Unbleached Kraft Linerbd	1676791	435222	189936	57863	151799	45398	2024078	19.7
Other Unbleached Kraf.	100651	41053	10778	4323	9610	2913	150079	42.4
Other Bleached Kraft	523091	335026	47507	28538	48417	28921	571162	8.0
Semi-Chemical Corrugating	61853	15293	10141	3383	6692	2119	76744	36.7
Recycled Paperboard	245564	81833	19693	7325	25516	8677	335748	48.4
Convtd Papers&Paperbd Products	490910	680143	46555	56863	45193	60374	515048	3.5
Paper Products, Total	237191	464174	21912	38767	23786	41349	235961	-3.4
Paperboard Products, Total	253719	215970	24643	18096	21408	19025	279087	10.2
Wet Machine Board	13380	6930	658	429	1882	869	18999	44.9
Construction Paper & Board E	55429	32776	6310	3627	6569	3543	74483	40.7
Notes								
Other: No Weight Avail. ($000)		6618		528		579	7444	11.8
Total Exports Incl. Other($000)		4048687		432994		391009	4629038	13.3

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1984	1985	AUGUST 1986	SEPTEMBER 1986	OCTOBER 1986	NOVEMBER 1986	Annual Rate Y-T-D 1986	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	293.3	292.0	295.8	297.7	299.3	300.6	293.4	0.3
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	294.2	294.5	297.4	299.3	300.9	302.2	295.5	0.2
Total Wood Pulp	397.2	346.6	365.9	371.5	374.7	379.2	355.7	2.2
Total Paper	302.9	303.4	307.5	308.9	310.5	312.8	305.7	0.7
Total Paper, exc. Newsprint	301.2	298.8	302.5	303.8	304.3	305.2	299.7	0.2
Newsprint	324.1	332.9	322.2	322.3	333.6	333.5	325.4	-2.3
Total Paperboard	281.5	274.6	274.1	276.8	280.9	281.7	271.6	-1.3
Total Paper and Paperboard *	296.2	294.4	297.0	298.8	301.2	303.0	294.9	0.0
Converted Products	280.7	288.1	290.3	291.8	292.8	293.7	288.9	0.2
Waste Paper	240.1	148.8	200.3	204.4	207.0	204.6	171.0	13.3
All Commodities	310.4	308.9	297.2	297.7	298.3	298.7	299.9	-2.8
Industrial Commodities	322.6	324.0	307.7	308.8	309.3	309.8	312.4	-3.5

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

Continued from Page 2

an 0.8% in 1984; an 0.8% decline in 1985 and a 4.8% increase in the first eleven months of 1986. These data indicate that, over the long term, total paper and paperboard new supply continues to move in line with economic activity, although the relationship varies by grade.

The decline in the value of the U.S. dollar in international markets has had a positive impact on the U.S. production of paper and paperboard, with production in 1986 rising faster than new supply. The steeper gain in production reflects both a decline in the rate of gain of imports -- 2.6% in the first ten months of 1986 compared to a 23% increase in 1984 and a 4.0% increase in 1985 -- and a 17% increase in total exports in this 1986 period, compared to a small decline in exports in 1984 and a somewhat larger drop in 1985.

The Industry Data Sheet presents figures on production and total supply for paper and paperboard separately in the sections marked "Demand (Indexed)". The paper section shows that paper production rose by 4.3% in the first ten months of 1986, compared to a 3.7% increase in paper new supply; the difference reflected the trend of imports and the gain in exports. That same section also shows the index of market demand up 5%, indicating that market growth was somewhat stronger than that of new supply. Similar data for paperboard show a 7.0% gain in

Continued on Page 11

Continued from Page 10

production vs. a 6.6% gain in production for domestic use and only a 1.7% gain in the demand index. However, when viewed from the longer term of 1984 to the first ten months of 1986, the new supply gain of 3.6% is much closer to the 3.1% gain shown for the paperboard demand index in that period.

A pattern somewhat similar to that of total paper and paperboard was observed in wood pulp imports. Here imports rose 10% in 1984 and held flat in 1985. In the first ten months of 1986 they rose by 2.5%. Exports showed a small decline in 1984 but gained a bit in 1985 and spurted upward by 19% in the first ten months of 1986. Wood pulp production increased by 5.7% in the first ten months of 1986, new supply 4.5%.

CAPITAL EXPENDITURES

Newly released data by the Department of Commerce show that expenditures on new plant and equipment by U.S. paper and allied products companies will peak in 1986 at $8.89 billion, 3.5% above the 1985 total and 23% above that reached in 1984. This very-high total includes expenditures by companies whose major products are in the converting sectors of the industry along with expenditures by those companies whose major products are in the primary sector. Some of the large converting companies have important operations outside the paper industry, and the Commerce data refer to total company expenditures.

Commerce also reported that expenditures on new plant and equipment by paper and allied products companies would decline by 8%, to $8.19 billion, in 1987. The effect of tax reform on the industry's cash flow is one reason for the pullback. Another is the fact that many companies have completed major programs for expansion and are now in a consolidation phase.

TECHNICAL NOTE

The API, in keeping with its long-standing policy of cooperating with government statistical sources, is pleased to publish this cartoon, and heartily endorses its message.

Continued on Page 12

Continued from Page 11

Global Paper and Paperboard Demand Outlook

Prospects for worldwide consumption of paper and paperboard appear fairly bright, according to a detailed study recently published by the Food and Agricultural Organization of the United Nations. The study, representing a joint effort by more than 200 people from around the world, used both computer models and projections made by industry representatives to develop supply/demand scenarios for newsprint, printing-writing papers, other paper and paperboard, wood pulp and waste paper.

The computer projections indicate that global consumption of paper and paperboard will expand at an average rate of between 2.6% and 2.9% a year during the 1984-1995 period, the range reflecting alternate scenarios of Gross Domestic Product in the future. This will bring world consumption to the 271- 281 million short tons range by 1995, up from 206 million short tons in 1984. However, the advisory panel composed of industry experts anticipates slower growth averaging 2.3% a year, to about 265 million tons, in 1995.

Over-all capacity to produce paper and paperboard should prove sufficient to meet demand during the next decade, according to FAO's analysis, with excess capacity in developed countries and deficiencies in developing countries. The report provided projections of production by country, but those figures should be used with care. Recent trends show some developing countries reducing their over-all dependence on imports by increasing their capacity faster than consumption.

FAO's computer model shows pulp consumption trending up between 2.2% and 2.4% a year during the 1984-1995 period, but it places the likely expansion of waste paper utilization in the 4.9-5.1% a year range. The advisory panel of industry experts has indicated that these waste paper projections may not be achievable because special coatings and laminates are making an increasing proportion of waste paper unsuitable for recycling.

The computer model places growth of newsprint consumption at 2.8-3.1% a year for the 1984-1995 period. Printing paper growth is projected at 4.2-4.7% and other paper and paperboard at 2.1%-2.8% a year.

World trade in paper and paperboard is projected to reach 61-66 million short tons by 1995; 1984's was 43 million tons.

World Pulp and Paper Outlook
(Million short tons)

	1984 Actual	1995 Range
Newsprint	32.2	43.3-43.8
Printing-Writing Papers	53.8	81.1-83.2
Other Paper and Paperboard	120.4	146.5-153.7
Total Paper and Paperboard	264.6	271.2-281.1
Wood Pulp	154.4	195.1-200.0
Waste Paper	54.0	91.5-93.7

Source: Food and Agricultural Organization of the United Nations

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

December 27, 1986

PRODUCTION (000 TONS)

	Nov. 86	Oct. 86	Nov. 85	Jan. - Oct. 86	Jan. - Oct. 85	% Change 86/85
PAPER GRADES						
Newsprint	473	469	438	5159	4990	3.4
Printing & Writing	1688	1758	1541	18086	16981	6.5
Uncoated Groundwood (s)	127	137	138	1393	1403	-0.7
Coated Paper (s)	548	569	469	5733	5426	5.7
Uncoated Free Sheet Paper (s)	902	934	819	9683	8935	8.4
Thin Paper (s)	16	19	22	222	241	-7.9
Cotton Fiber Paper (s)	13	13	13	138	133	4.0
Bleached Bristols (s)	83	86	80	918	845	8.6
Tissue Paper	420	454	411	4669	4531	3.0
Total Pkg & Other Paper	417	435	420	4713	4800	-1.8
Unbleached Kraft Packaging & Indl. Converting (s)	263	272	273	3065	3139	-2.4
Other Paper *	154	164	148	1648	1661	-0.8
TOTAL PAPER	2998	3116	2810	32626	31302	4.2
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1457	1511	1328	16163	15075	7.2
Unbleached Kraft Linerboard	1381	1394	1228	14957	13976	7.0
Other Unbl. Kraft Paperboard	76	117	100	1207	1099	9.8
Semichemical Paperboard	454	458	416	4935	4684	5.4
Bleached Paperboard	348	368	325	3927	3624	8.4
Recycled Paperboard	688	719	648	7516	7024	7.0
TOTAL PAPERBOARD	2948	3057	2717	32542	30408	7.0
TOTAL PAPER AND PAPERBOARD	5946	6173	5527	65168	61710	5.6

WOOD PULP (ALL GRADES)	Oct. 1986	Sep. 1986	Oct. 1985	Jan. - Oct. 1986	Jan. - Oct. 1985	% Change 85/84
Dissolving & Special Alpha	98	104	106	1041	984	5.8
Bleached Sulfite	115	119	118	1175	1142	2.9
Unbleached Sulfite	14	13	17	138	165	-16.6
Bleached & Semi-Bl. Sulfate	2050	1958	1862	20016	18734	6.8
Unbleached Sulfate	1773	1682	1687	17274	16333	5.8
Semichemical	350	338	353	3450	3366	2.5
Groundwood & Thermomechanical	482	457	454	4618	4422	4.4
TOTAL PULP DIVISION DATA	4881	4671	4595	47712	45146	5.7

(s) - Shipments R - Revised
P - Preliminary

December 27, 1986

	Full Year		INDUSTRY DATA 1985 - 1986			Ann. Rate Year - To Date	% From Same Pd. Last Year
			R	R	P		
PAPER AND PAPERBOARD — Tons (000)	1984	1985	September	October	November	1986	
Total Production (API).....: excluding :...	68487	67076	5872	6173	5947	71062	5.6
Total Seasonally Adjusted....:construction:...			5887	5944	6025	70644	5.6
Imports (including Products).: and wet :..E	10576	11106	931	998	950	11542	3.6
Exports (including Products).: machine :..E	4309	4009	390	366	360	4642	15.7
Apparent Consumption.....: grades :...	74754 a	74173 b	6425	6565	6603	77544 c	4.8
Paper Production % Tonnage Capacity.....	92.8 g	90.6 g	92.1	93.2	93.2	92.5 gh	-
Paperboard Production % Tonnage Capacity.....	94.6 g	89.9 g	91.9	93.5	93.5	93.6 g	-
			August	September	October		
IMPORTS.....:Including Construction and :...	11075	11521	1032	961	1028	11903	2.6
EXPORTS.....: WMB Grades (excl. HPB) :...	4387	4077	402	397	375	4768	16.6
			August	September	October		
MARKET WOOD PULP PRODUCTION - Tons (000).....	6897	6800	675	627	593	7477	10.1
TOTAL WOOD PULP PRODUCTION - Tons (000).....	55470	54029	4903	4671	4881	57255	5.7
WOOD PULP IMPORTS - TONS (000).....	4490	4466	422	379	372	4584	2.5
WOOD PULP EXPORTS - TONS (000).....	3594	3791	418	457	344	4484	19.2
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			August	September	October		
Wood Pulp.....:consumption for:.....	54562	53297	4729	4561	4788	55736	4.2
Waste Paper.....:construction & :.....	15926	15290	1390	1380	1419	16610	8.4
TOTAL.....: WMB grades :.....	70488	68584	6119	5941	6207	72345	5.2
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	87646	85744	7582	7362	7779	91150	5.9
EMPLOYMENT (000)			September	October	November		
Paper and Allied Products.....Total.....	682.3	683.2	693.0	693.7	695.5	689.3	0.9
Pulp, Paper and Board Mills.....Total.....E	257.2	253.5	251.6	251.7	252.2	252.0	-0.6
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products.....	10.44	10.82	11.20	11.21	11.26	11.14	3.1
Pulp, Paper Mills.....E	12.45	13.11	13.72	13.77	13.82	13.58	3.7
Paperboard Mills.....E	12.99	13.60	14.09	14.33	14.35	14.03	3.6
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1985 Q4	1986 Q1	1986 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	7.21	8.59	9.56	8.67	9.02	8.87y	3.3
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			September	October	November		
:IN PULP, PAPER :...Production Workers.....	125.5	125.2	134.4	134.4	135.5	133.5	6.8
:AND BOARD MILLS:...All Employees.....	123.9	125.7	133.2	133.6	135.2	133.2	6.2
PAPER AND ALLIED PRODUCTS (Million $)			August	September	October		
Industry Shipments (Dept. of Commerce)*.....	95990	97664	9299	9515	9327	108167	11.2
Pulp, Paper and Paperboard*.....	41539	41830	3929	4077	4100	45948	10.2
Inventories (End of Period) - Total Industry*..	9701	9728	10114	10065	9955	10065	3.4
Pulp, Paper and Paperboard*.....	3662	3800	3885	3906	3919	3906	5.3
			1986 Q1	1986 Q2	1986 Q3		
Sales (Corporations Only).....	71891	71465	17575	18470	18904	73265	2.2
Earnings (Corporations Only).....	3015	2880	589	922	824	4670	6.9
Depreciation (Corporations Only).....	2798	3099	820	844	843	5014	7.9
Net Worth (Corporations Only).....	28160	29694	30033	30646	31075	31075	5.1
PRICE INDEXES (Bureau of Labor Stats)1967=100			September	October	November		
Pulp, Paper & Products, ex. Building Grades....	293.3	292.0	297.7	299.3	300.6	293.4	0.3
Wood Pulp.....	397.2	346.6	371.5	374.7	379.2	355.7	2.2
Waste Paper.....	240.1	148.8	204.4	207.0	204.6	171.0	13.3
Paper.....	302.9	303.4	308.9	310.5	312.8	305.7	0.7
Paperboard.....	281.5	274.6	276.8	280.9	281.7	271.6	-1.3
PAPER DEMAND (INDEXED: 1977=100)			September	October	November		
Total Paper Production *.....	124.1	123.0	129.1	129.1	131.6	128.1	4.3
Paper New Supply *.....	127.7	128.8	133.7	135.6	135.1	133.5	3.7
Demand Indicators - (Weighted Average) *.....	136.7	141.6	148.8	151.2	152.0	148.5	5.0
Production of Nondurable Goods *...(21.2%).	122.5	125.3	131.6	132.0	133.1	130.6	4.4
Disposable Income .....*.(23.9%)	124.0	126.8	131.5	132.0	132.5	131.6	3.8
Total Printing and Publishing *...(54.9%).	147.8	154.3	162.9	167.0	167.8	162.8	5.7
Trend Factor			Not Available				
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	117.3	114.3	120.4	122.4	123.3	121.5	7.0
Production for Domestic Use	115.2	112.8	118.5	121.1	120.5	119.3	6.6
Demand Indicators - (Weighted Average) *.....	116.3	120.1	122.1	122.1	122.9	122.0	1.7
Production of Consumer Goods *...(62.06%)	118.2	120.5	124.7	124.7	125.6	124.3	3.4
Production of Equipment *...(5.75%)	140.5	146.4	142.8	143.3	144.1	142.9	-2.3
Production of Materials *...(32.19%)	114.6	114.5	113.5	113.3	113.9	113.7	-0.6
Trend Factor			Not Available				
NEWSPRINT MARKETS			August	September	October		
Consumption by Publishers - Tons (000).....	12602	12773	1099	1101	1173	12996	3.1
Newspaper Pub. and Printing Empl. Total(000)...	443.0	453.6	460.6	461.5	464.5	460.8	2.0
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (LNA, Inc.).....	157798	155263	9680	14635	14901	167108	10.8
WHOLESALERS SALES AND INVENTORIES (Million $)(j)							
Total Paper & Pap. Prdcts..ex Wallpaper..Sales	31876	34635	3313	3231	3442	38342	10.9
Inventories (End of Period).	2724	3155	3194	3100	3119	3119	4.2
FIBRE BOX DATA (Fibre Box Association)			September	October	November		
Fibre Box Shipments (Million square feet).....	267549	267451	24379	27131	21406	284985	5.5
Container'bd Inventory at Mill & Plant(000Tons).	2882	2549	2269	2176	2098	2098.1	-15.0
RETAIL TRADE (Million $)			August	September	October		
Total Retail Sales *.....	1289987	1372853	121523	128003	121587	1437000	5.0
Nondurable Goods Stores Sales *.....	825290	859316	73611	73487	73679	880096	2.8
GENERAL ECONOMIC DATA			September	October	November		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	121.8	124.2	125.2	125.2	125.9	125.0	0.7
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100).	310.3	308.7	297.7	298.3	298.7	300.0	-2.8
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	311.1	322.2	330.2	330.5	330.8	328.1	2.0
			August	September	October		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	461.0	549.9	579.6	588.9	593.7	593.7	12.0
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1986 Q1	1986 Q2	1986 Q3		
G.N.P. or Expenditure - Current $.....	3765.0	3998.1	4149.2	4175.6	4240.7	4188.5	5.5
G.N.P. or Expenditure - 1982 $.....	3489.9	3585.2	3655.9	3661.4	3686.4	3667.9	2.7

lb/capita
Pap&Papbd Othr Totl Popul(mil)
.a - 631 + 19 = 650 237.0
.b - 620 + 18 = 638 239.3
.c - 642 + 17 = 659 241.5
.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - Adjusted to conform with API Division data
j - Census unpublished data; standard dev. = 6-8%
N.A. - Not Available
Q - Quarter
R - Revised
RS - Revised Series
y - Full year estim. by U.S. Dept. of Com.
* - Seasonally Adjusted.